

## Statement of Work

This Statement of Work (“SOW”) dated November 23, 2020 (this “SOW”) is made by Ernst and Young LLP (“we” or “EY”) and Purdue Pharma, L.P. on behalf of itself and its Subsidiaries (collectively, “Purdue”, “you”, or “Client”), pursuant to the Main Agreement, dated August 13, 2020 (the “Agreement”), between EY and Purdue which was executed in connection with the Client filing a petition under Chapter 11 of the United States Bankruptcy Code (“Chapter 11”) on or about September 15, 2019 with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), and describes certain tax services that EY will perform for the Client during the Client’s Chapter 11 proceedings.

This SOW shall be effective as of the date of execution of this SOW.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to “you” or “Client” shall be deemed references to Purdue.

## Scope of Services

Purdue management is in the process of finalizing the sale of the assets of its subsidiary, Rhodes Technologies, a Delaware general partnership (“Rhodes Tech”), to Noramco Coventry LLC (“Noramco”), with a target closing date around January 1, 2021. For a period of one year after the transaction has closed, Noramco will access and use Purdue’s IT environment (i.e. applications, network, and server infrastructure) through a transition services agreement. As a result, Purdue management has requested EY to perform the following:

- Assess Purdue’s current plans and architecture to identify data security and privacy risks and offer risk mitigation recommendations relative to Noramco’s use of Purdue’s overall IT environment, based on leading practices, for Purdue management’s consideration.

We will provide Services to you, contingent upon the Bankruptcy Court’s approval of our retention in accordance with the terms and conditions that are set forth in the Agreement (inclusive of this SOW). The focus and proposed scope are documented within the table below. To meet these objectives, EY will work with Purdue to execute the following activities and produce the following work products, as defined within the table below:

Project elements	EY role/ responsibilities	Client role/ responsibilities	EY intended work product
Assess Purdue’s current plans and architecture to identify data security and privacy risks and offer risk mitigation	<ul style="list-style-type: none"> <li>Provide kickoff deck for the project.</li> <li>Request relevant documentation</li> <li>Conduct kickoff meeting to review objectives, refine approach, and set project milestones.</li> <li>Inspect documentation of Purdue’s data security and</li> </ul>	<ul style="list-style-type: none"> <li>Purdue management will make a project manager or coordinator available to help with arranging meetings, scheduling interviews, providing requested</li> </ul>	<ul style="list-style-type: none"> <li>EY will provide Purdue management with observations and risk mitigation focused recommendations focused on data security and privacy risks pertaining to Purdue management’s architecture and overall</li> </ul>

Project elements	EY role/ responsibilities	Client role/ responsibilities	EY intended work product
<p>recommendations relative to Noramco's use of Purdue's overall IT environment, based on leading practices for Purdue management's consideration.</p> <p><b>Est. Timing: Dec. 7 – Dec. 18, 2020</b></p>	<p>privacy plans and architecture for transition services to be provided to Noramco.</p> <ul style="list-style-type: none"> <li>Conduct stakeholder interviews to understand and evaluate the design of Purdue's plan to manage Noramco's access to and utilization of Purdue IT environment.</li> <li>Assess the plans and architecture and identify security and privacy risks and related mitigation recommendation.</li> </ul>	<p>documentation, reviewing work products and answering any questions applicable to the in-scope assessment that may arise.</p> <ul style="list-style-type: none"> <li>Purdue management will make all decisions with respect to whether to implement, modify, or reject EY recommendations.</li> </ul>	<p>plan based on leading practices.</p>

The Services may be modified from time to time by our mutual written agreement and approval of the Bankruptcy Court, if required.

Client acknowledges and agrees that, whether or not this SOW has been approved by the Bankruptcy Court at the time any Report is rendered, any such Report rendered by EY prior to the delivery of its final Report is preliminary in nature and cannot be relied upon for any purpose, including penalty protection.

### Out-of-Scope Services

Any activities not described as Services, as indicated above under Scope of Services, are not covered by the fees stated herein. Any such activities will be considered outside the scope of this SOW and are the responsibility of Client to perform on a timely basis unless otherwise agreed by the parties in writing (in a separate SOW or an amendment to this SOW) and approved by the Bankruptcy Court, if required.

### Engagement Assumptions

- Purdue will appoint a project manager that will be responsible for executing the following tasks:
  - Inform stakeholders and interviewees about the purpose of this engagement
  - Obtain requested documentation, including relevant policies, procedures and guidelines to be evaluated
  - Identify and make stakeholders available per the schedule agreed during the planning phase of the project
  - Facilitate reviews of work products/documents
  - Resolve escalated risks in a timely manner
- Purdue management will facilitate access to documentation and key IT, security and other applicable stakeholders for interviews, meetings and workshops as deemed necessary at the outset of the engagement.
- EY estimates 3-5 interviews for purposes of performing walkthrough meetings to understand Purdue's IT management plan and architecture that Noramco will be accessing, as well as the data security and privacy processes in place.

- EY will review Purdue's current plan and architecture for transition services, this is not a review of the configurations of security controls.
- Scope of the project does not include design or test of controls, or direct edits to policy documents (e.g., port scanning, vulnerability identification) or implementation of controls (e.g., deployment of identity and access management technology).
- EY will provide daily status updates to inform Purdue management regarding the progression of the assessment.
- Assessment will primarily rely upon information gathered during interview sessions, and review of documentation (i.e. project plans and data security architecture). Purdue management will work efficiently to provide requested documentation and information required by EY.
- Purdue management is responsible for final validation and acceptance of all engagement work products. Work products will be reviewed and commented as needed to complete the activities within the estimated timeframe and avoid impacting the overall schedule integrity and fees.
- Purdue management is responsible for managing dependencies with initiatives outside of the project. EY is only responsible for monitoring the dependencies reported within the project scope. If a dependency outside of the project causes significant impact to the project's plan, the change order process will be invoked.
- Purdue management will discuss proposed changes to the scope with our Engagement Partner and Project Lead so that expectations can be managed on both sides. Request for additional reports or presentation materials beyond the work products described will require additional funding.
- The Purdue project lead will be responsible for presenting the final Reports to relevant internal stakeholders.
- EY will not evaluate management's skill and competency level.
- EY will perform the services mentioned above remotely using teleworking tools (i.e. Microsoft Teams).
- Any planned vacations or time off will be communicated by both parties in advance of fieldwork and a mutually agreed-upon plan will be executed to avoid impact to the overall schedule integrity and fees.
- Purdue will be responsible for compliance with all applicable laws and regulations, including relevant privacy concerns.
- Any change in scope requiring additional services to be provided by EY that result in increased fees will be mutually agreed to by EY and Purdue management in advance of the additional work being performed.

## Timetable

Unless otherwise agreed, and subject to the General Terms and Conditions of the Agreement, we expect the services to take approximately two weeks and we expect to perform the services during the following time period:

### Timelines (planned timing: December 7, 2020 through December 18, 2020)

- Week 1: Project kickoff and review of plans and architecture
- Week 2: Conduct interviews, identify data security and privacy risks relative to Noramco's use of Purdue's IT environment, and document findings

## Contacts

You have identified the following individuals as your primary contacts with whom we should communicate about these Services:

Role	Name	Email
Chief Information Officer	Hussein Ghnaimeh	<a href="mailto:hussein.ghnaimeh@pharma.com">hussein.ghnaimeh@pharma.com</a>

Brian DePersiis (Principal) and Alec Hirsch (Senior Manager) will lead the EY team in providing the Services. If either of these individuals ceases to provide the Services to the Purdue pursuant to this SOW, EY will so advise management and, if either are replaced, we will provide management with the name of the professional's replacement. Such replacements will be of an experience level similar to that of the individuals replaced. Other staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.

## **Fees**

The General Terms and Conditions of the Agreement address our fees and expenses generally. Fees for the Services described above are \$30,000 US dollars. While no travel is anticipated to perform the services described within this SOW and all work is planned to be performed remotely, total engagement related travel expenses, if incurred, will not exceed 10% of total estimated fees and are to be billed as incurred., per discussion and agreement with Purdue management.

EY will invoice Purdue for the Services rendered with an initial invoice of \$15,000 upon commencement of the engagement, with the remainder of the engagement fees to be billed upon completion of the engagement, including engagement related expenses incurred and taxes. Payment is due in accordance with the Agreement. The expenses will be billed at actuals within each of the engagement invoices.

You shall also pay any potential value-added taxes (VAT), sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by you.

We will submit an itemized and detailed billing statement, and we will request payment of our fees and expenses, in accordance with the United States Bankruptcy Code (the "Bankruptcy Code"), the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the Southern District of New York ("Local Rules") and any relevant administrative orders. We will submit our invoices as the work progresses and payment of them will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow.

We acknowledge that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.

## **Limitations on scope**

We will not identify, address or correct any errors or defects in your computer systems, other devices or components thereof ("Systems"), whether due to imprecise or ambiguous entry, storage, interpretation or processing or reporting of data. We will not be responsible for any defect or problem arising out of or related to data processing in any Systems.

We will not:

- Perform ongoing internal control monitoring activities or other control activities that affect the execution of transactions or confirm that transactions are properly executed and/or accounted for.
- Perform routine activities in connection with your financial processes that are equivalent to those of an ongoing compliance or quality control function.
- Perform monitoring, quality assurance or quality control for you.

- Provide comprehensive recommendations to substantially design your process(es) or system(s).
- Determine which, if any, recommendations for improving internal control should be implemented.
- Act on your behalf in reporting to your Board of Directors or Audit Committee.
- Authorize, execute or consummate transactions or otherwise exercise authority on your behalf.
- Prepare source documents on transactions.

### **Your specific obligations**

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this Agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof. With respect to the Services and solely to the extent necessary, you have obtained the prior approval of your Audit Committee, or the preapproval of those charged with governance where an Audit Committee does not exist, as applicable.

You shall assign a project manager to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.

### **Specific additional terms and conditions**

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Unless prohibited by applicable law, we may provide Client Information to other EY Firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

Our written consent under the Agreement is required for you to disclose to a third party any of our Reports (other than Tax Advice) for which EY's involvement is known, or likely to be known, including Reports that are issued on EY letterhead or refer to EY in connection with the Services. If we provide written consent, we also require the third party to execute a letter substantially in the form of **Appendix A** to this SOW. Notwithstanding the foregoing, it is not expected that any of our Reports, on EY letterhead or referencing EY, will be distributed outside of the Client.

In performing the services, we will not take any action that we reasonably believe could impair our independence with respect to any of our audit clients or those of other EY Firms. For example, we will not instruct, supervise or contract with an entity, without having first determined that such action would not impair our independence.

We may retain, disclose and use Client Information that we collect in connection with any services we perform for you for research and thought leadership purposes, as well as for the purpose of providing services to other clients, as long as we identify you only in general terms in connection with such information (e.g., "a technology company").

Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services ("USCIS") to confirm that EY employees on certain visas are, in fact, EY employees and not employees of Client or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this SOW, including Client's identity and location, as well as redacted agreements. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR § 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding H-1B visas will be working on Client's premises. EY and Client will work together to develop an appropriate notice as required.

EY resources will be operating at all times as an employee of and under the direction and control of Ernst & Young U.S. LLP's management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by Ernst & Young U.S. LLP. Client will not have the right to control EY resources. At all times, EY resources will receive direction from an EY Manager while on-site at Client premises.

In witness whereof, the parties have executed this SOW as of the date set forth above.

**Ernst & Young LLP**

DocuSigned by:

*Brian DePersiis*

EE6A7AF0A42E4C5...

By:

Name: Brian DePersiis

Title: Principal, Authorized Signatory

11/25/2020

Date:

**Purdue Pharma, L.P.**

DocuSigned by:

*Hussein Ghnaimeh*

B71A51AE1C034A9...

By:

Hussein Ghnaimeh

Name:

CIO

Title:

11/25/2020

Date:

**Appendix A**  
Form of Access Letter  
[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]  
[Street Address]  
[City, State Zip]

[Month XX, 20XX]

Dear [ ] :

Purdue Pharma, Inc. (the “Client”) has informed Ernst & Young LLP (“EY”) that it wishes to disclose to [party seeking access] (the “Recipient”) EY’s [describe report(s)] , dated [ ] , relating to [describe subject] (the “Report(s)”). EY has not placed any limitations on the Client’s ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed services only for the Client. EY did not undertake the services on behalf of, or to serve the needs of, the Recipient or any other third party. As part of such services, EY did not audit the Client’s financial statements, subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[ es] only the issues identified by the Client, and [ is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [ is/are] subject to many limitations and [ do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY’s prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient’s directors, officers or employees or legal advisors who, in each case, need to know its contents in order to \_\_\_\_\_ , and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”) are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:



1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the “EY Parties” that relates in any way to the Report(s), any information contained therein, or the Recipient’s access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys’ fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Very truly yours,

Ernst & Young LLP [replace with EY facsimile signature when final]

Accepted by:

[Addressee]

By: \_\_\_\_\_